



January 31, 2022

Sec. James Kenney  
New Mexico Environment Department  
1190 S. St Francis Drive, Ste N4050  
Santa Fe, NM 87505

Dear Secretary Kenney,

As the founder and Executive Chairman of H2 Energy Group (H2EG), I am writing to express strong support for Senate Bill 14, the New Mexico Clean Fuel Standard Act (CFSA). An array of alternative fuels will be necessary to decarbonize the transportation sector, and the production of such fuels and their co-products will power a next-generation economy.

In 2022, H2EG will begin to build its first commercial production plant in California, building on the long-term successful operation of its cellulosic biomass-to-hydrogen demonstration plant, and it will produce the world's lowest-cost green hydrogen. Our scalable and modular high-yield fast pyrolysis technology can be deployed to solve multiple problems at once. In the West, H2EG's technology can utilize woody biomass waste from forest thinning, or standing dead wood in forest stands damaged by insect infestation or wildfire, as its feedstock to produce green hydrogen. The produced hydrogen can then be deployed to fuel electrical power production and industrial processes, as well as passenger and heavy-duty vehicles.

H2EG envisions a nationwide buildout of its production plants initially along the federal interstate highway corridors, and it has not escaped our attention that three such corridors traverse New Mexico, and Albuquerque hosts the junction between I-40 and I-25. We are also aware that New Mexico has hundreds of thousands of acres of forested lands on which management is necessary to reduce the risk of catastrophic wildfire, with a notably critical region being the San Juan-Chama watershed -- where a wildfire could impair the potable water supply for 30 percent of New Mexicans. Additionally, according to a 2020 Sandoval County report on biomass utilization, we understand that there's a forecasted 30-year supply of cellulosic biomass harvested at a rate of 80,000 tons per year from forest management activities in north central New Mexico alone.

The CFSA would accelerate demand for low carbon fuels in New Mexico, and would create favorable expansion opportunities for H2EG and other producers of low carbon fuels. Its passage will create not only permanent jobs for skilled workers at head-of-household wages, but it will also stimulate and stabilize industrial sectors such as forestry by creating reliable off take for materials that heretofore were managed as waste. H2EG stands with the New Mexico Environment Department in urging the 55<sup>th</sup> New Mexico legislature to pass the CFSA in its 2022 session.

Regards,



Christopher Headrick  
Executive Chairman